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2004-041

PURCHASE AND SALE AGREEMENT

FOR

TERMINAL ONE NORTH

BETWEEN

THE CITY OF PORTLAND

AND

THE PORT OF PORTLAND

USEPA SF



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PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (the "Sale Agreement"), dated 2/24/ 2004 (the "Effective Date"), is by and between THE PORT OF PORTLAND, a Port district of the State of Oregon (the "Port") and the CITY OF PORTLAND, a municipality of the State of Oregon (the "Buyer").

1. PURCHASE AND SALE

1.1 Description of the Property

Buyer agrees to purchase from the Port and the Port agrees to sell to Buyer a parcel of land consisting of approximately fifteen and eight hundred and four one-thousandths (15.804) acres of land located above the ordinary high water line of the Willamette River, including all improvements, including but not limited to the storm water system, located thereon, together with dock structures located entirely or partially on the adjacent submerged and submersible lands of the Willamette River, all located at 2210 - 2510 N.W. Front Avenue, Portland, Multnomah County, Oregon, situated in the area commonly known as Terminal One North, as shown and legally described on Port Drawing T1-2003-2 attached hereto as **Exhibit A** (collectively the "Property"). The Property shall include all rail switches, rail tracks and other rail equipment and improvements located on the Property as well as those located within the Front Avenue street right-of-way that connect into the Property from the railroad track located on the west side of Front Avenue. The Port has removed or shall remove from the Front Avenue right-of-way, at its cost and expense, the southernmost rail track which crosses Front Avenue at Gate 15. Upon Closing, Buyer shall assume all responsibilities and liabilities for the ownership of all remaining rail improvements located within the Property, and those located within the Front Avenue street right-of-way, including but not limited to the operation, maintenance, repair and, if desired or required, removal thereof.

1.2 Submerged and Submersible Lands

The southern boundary of the Property abuts a slip of water ("Adjacent Slip") located between the Property and the southern portion of Terminal One, which was sold to Timothy R. Ralston ("Ralston"), and which is approximately as shown on the attached **Exhibit A**. The submerged and submersible lands within the Adjacent Slip are owned by the State of Oregon. If Buyer, or its lessees, sublessees, assignees, licensees or permittees, desires to use or make improvements in or to the Adjacent Slip, Buyer will be required to obtain a lease of the submerged and submersible lands from the Oregon Division of State Lands ("DSL"). Buyer and the Port agree between themselves that Buyer shall have the exclusive right to use and lease the submerged and submersible lands within the northern one-half of the Adjacent Slip ("Northern Slip Area") as approximately shown and designated on the attached **Exhibit A**, exclusive of the area under the dock at the head of the Adjacent Slip. The Port and Ralston have agreed between themselves that Ralston has the exclusive right to use and lease the southern one-half of the submerged and submersible lands of the Adjacent Slip.

1.3 Dock Located at Head of Adjacent Slip

The Port has sold to Ralston the greater part of a dock structure at the head of the Adjacent Slip (the "Dock"), which portion occupies an area of approximately 200 feet by 62 feet. The Property will include the remaining portion of the Dock, up to the boundary line indicated on Exhibit A. Ralston will have maintenance, repair and replacement responsibilities for its portion of the Dock. The Buyer will be responsible for the portion of the Dock which is transferred with the Property.

1.4 Purchase Price

The Purchase Price for the Property is SIX MILLION THREE HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (\$6,325,000.00) less all rents paid by Buyer to the Port for the period ending October 31, 2003, under the Terminal 1 North Lease between the Port and Buyer, dated August 1, 2002 (the "Lease"), and the total of payments from Buyer to the Port for easements at Terminal 1 North for the West Side CSO Project. The total of the rent payments and the easement payments is \$920,724.64, resulting in a purchase price after the deduction of rent paid of FIVE MILLION FOUR HUNDRED FOUR THOUSAND, TWO HUNDRED SEVENTY-FIVE AND THIRTY-SIX/100 DOLLARS (\$5,404,275.36) (the "Final Purchase Price").

1.5 Resale

If Buyer should contract to sell the Property under comparable terms within five years after the date of Closing (defined in Section 3) for more than the Final Purchase Price, any amount greater than the Final Purchase Price (less Closing Costs) shall be distributed within a reasonable period of time as follows. Buyer shall return to the Port the lesser of the excess of Buyer's sale price over the Final Purchase Price or \$118,617.12 (equivalent to two months of rent under the Lease), plus: (1) for a contract for resale within one year after Closing – 50% of the balance of the excess to Buyer, and 50% of the balance of the excess to the Port; (2) for a contract for resale more than one year but within two years after Closing – 60% of the balance of the excess to Buyer, 40% of the balance of the excess to the Port; (3) for a contract for resale more than two years but within three years after Closing – 70% of the balance of the excess to Buyer, 30% of the balance of the excess to the Port; (4) for a contract for resale more than three years but within four years after Closing – 80 % of the balance of the excess to Buyer, 20% of the balance of the excess to the Port; (5) for a contract for resale more than four years but within five years after Closing – 90% of the balance of the excess to Buyer, 10% of the balance of the excess to the Port. This section shall not apply to a sale by Buyer to the Portland Development Commission, but shall apply if Buyer contracts to sell or sells the Property to the Portland Development Commission and the Portland Development Commission in turn contracts to sell or sells the Property within five years after Closing.

1.6 Maintenance Services

The Port shall provide Maintenance Services for the facility to Buyer, up to an amount not exceeding TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00), for the period from the Closing Date through October 31, 2004. After such dollar amount has been spent, or after

October 31, 2004, whichever occurs first, the Port will provide additional information, expertise or services only at Buyer's expense. The Maintenance Services shall include primarily routine warehouse and dock sprinkler maintenance performed by Port plumbers, and training in such routine maintenance for Buyer, plus management and administrative costs related thereto. Maintenance Services other than routine sprinkler maintenance will be provided by the Port to Buyer only if Port maintenance staff is available, as determined by the Port in its sole discretion. Maintenance Services shall not include security services, sprinkler system alarm services or engineering services.

2. ESCROW AGENT; PAYMENT OF PURCHASE PRICE

Upon execution of this Sale Agreement by both parties, the Port shall deposit a copy of the fully executed Sale Agreement with Chicago Title Insurance Company (the "Escrow Agent"). No earnest money shall be required in connection with this transaction. At Closing, the Buyer shall pay, in immediately available funds, the Final Purchase Price. In addition to the Final Purchase Price, the Buyer agrees to pay Buyer's share of Closing costs, pursuant to Section 6 of this Sale Agreement.

3. CLOSING AND ESCROW

For the purpose of this Sale Agreement, "Close," "Closing," or "Closed," shall mean the date on which all of the necessary documents have been deposited with the Escrow Agent and the Escrow Agent has (a) disbursed the full amount of the Final Purchase Price to the Port; (b) recorded on behalf of the Buyer the deed referred to in Section 10; (c) issued or authorized the issuance of the title insurance policy referred to in Section 8; and (d) complied with all other escrow instructions of the Port and the Buyer imposed as a condition of Closing. Closing shall occur no later than February 27, 2004, unless the parties mutually agree in writing to a later date.

4. DUE DILIGENCE

Buyer has had a full opportunity to conduct environmental and other due diligence investigations, and has completed its due diligence review of the Property, except as to title matters.

5. POSSESSION

Buyer is currently in possession of a substantial portion of the Property under the Lease. Buyer shall be entitled to possession of the balance of the Property upon Closing.

6. ESCROW INSTRUCTIONS

Each party shall pay one half of the escrow fee. The Buyer shall pay any recording fees and other Closing costs customarily attributable to a buyer in Multnomah County, Oregon. The Port shall pay for the cost of a standard title insurance policy. If the Buyer elects to obtain extended coverage, the Buyer shall pay the difference between the premium for a standard coverage title insurance policy and an extended coverage title insurance policy and shall pay survey costs necessary to issue such extended coverage. The Buyer and the Port hereby authorize their

respective attorneys to execute and deliver to the Escrow Agent any additional escrow instructions as may be necessary to implement the terms of this Sale Agreement and to Close this transaction. In the event of any conflict between such additional escrow instructions and the express terms of this Sale Agreement, the terms of this Sale Agreement shall control.

7. PRELIMINARY TITLE REPORT

The Preliminary Title Report, dated as of April 16, 2003 and updated as of February 4, 2004, prepared by Chicago Title Insurance Company, showing the condition of the title to the Property, is attached hereto as **Exhibit B**. Unless the Buyer gives written notice to the Port on or before February 23, 2004, that any of the exceptions listed in the Preliminary Title Report are not acceptable to the Buyer, the Buyer shall be deemed to have accepted the Preliminary Title Report. If the Buyer notifies the Port of any objections to exceptions in the Preliminary Title Report, the Port, within ten (10) business days thereafter, shall notify the Buyer in writing whether the Port will cause the exception(s) to be removed at or prior to Closing. If the Port fails to respond to the Buyer's notice of objections or if the Port fails to agree to satisfy such objections, the Buyer shall have the right to terminate this Sale Agreement within ten (10) business days after the Port's ten (10) business day period to respond. The Buyer's failure to terminate this Sale Agreement within such ten (10) day period shall be deemed a waiver of such objections. Any exceptions not removed by the Port or waived by the Buyer, together with any exceptions to title created or suffered by Buyer, its employees, contractors or agents, for which Buyer shall be responsible, are hereinafter referred to as "**Permitted Encumbrances**."

8. TITLE INSURANCE

At Closing, the Port shall authorize the Escrow Agent to issue the Buyer a standard owner's policy of title insurance, insuring the vesting of fee title to the Property in the Buyer in the amount of the Purchase Price, subject only to the Permitted Encumbrances.

9. TAXES

There shall be no pro-ration of taxes. The Property is presently exempt from payment of real property taxes under Oregon law because it is in Port ownership. Assuming that the Property remains tax exempt under the Buyer's ownership, no real property taxes should be assessed against the Property. If the Property does become taxable, the Buyer shall have full responsibility for payment of all applicable real property taxes that accrue after Closing. The Buyer is responsible for investigating all tax matters at its own expense, determining all necessary filing and qualification requirements, meeting all necessary filing dates, and meeting all other regulatory requirements.

10. FORM OF DEED

At Closing, the Port shall execute and deliver to the Buyer a Special Warranty Deed (the "Deed") in substantially the form set forth in **Exhibit C** conveying the Property to the Buyer, subject only to Permitted Encumbrances.

11. PROPERTY CONDITION

11.1 No Warranties or Representations

The Port makes no warranties or representations regarding the condition of the Property, including, without limitation, the environmental condition of the Property, the suitability of the Property for Buyer's intended uses, or the availability of utilities needed for Buyer's intended purposes. The Port acknowledges that after reasonable inquiry and to the best of its knowledge it has provided to Buyer copies of all reports and information regarding the condition of the Property. For purposes of the foregoing sentence, (a) "reasonable inquiry" shall mean inquiry of the Port's managers with property management or environmental management responsibility for the Property and review of Port's records and (b) "knowledge" shall mean the current actual knowledge of such managers, and does not, for example, extend to knowledge of conditions before the Port took possession of the property from the City of Portland under ORS 778.020.

11.2 Future Environmental Cleanup Obligations

Nothing in the foregoing Section 11.1 shall limit the responsibilities of the parties after Closing under Section 14 regarding the environmental conditions of the Property.

12. REPRESENTATIONS OF THE BUYER

In addition to any other covenants, representations or warranties of Buyer contained in this Sale Agreement, the following constitute representations and warranties of Buyer to the Port:

12.1 Legal Authority

Buyer has the legal power, right and authority to enter into and carry out all terms and conditions of this Sale Agreement and the instruments referred to in this Sale Agreement and to consummate the transactions contemplated herein.

12.2 Authorized Agent

The persons executing this Sale Agreement and the instruments referred to herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions of this Sale Agreement.

12.3 Binding Obligations

This Sale Agreement and all documents required by it to be executed by Buyer are and shall be valid and legally binding obligations of Buyer and shall be enforceable against Buyer in accordance with their terms.

13. REPRESENTATIONS AND WARRANTIES OF THE PORT

In addition to any other covenants, representations or warranties of the Port contained in this Sale Agreement, the following constitute representations and warranties of the Port to Buyer:

13.1 Legal Authority

The Port has the legal power, right and authority to enter into and carry out all terms and conditions of this Sale Agreement and the instruments referred to in this Sale Agreement and to consummate the transactions contemplated herein.

13.2 Authorized Agent

The persons executing this Sale Agreement and the instruments referred to herein on behalf of the Port have the legal power, right and actual authority to bind the Port to the terms and conditions of this Sale Agreement.

13.3 Binding Obligation

This Sale Agreement and all documents required by it to be executed by the Port are and shall be valid and legally binding obligations of the Port and shall be enforceable against the Port in accordance with their terms.

14. ENVIRONMENTAL OBLIGATIONS

14.1 Definitions

For the purposes of this Sale Agreement, the following definitions shall apply.

14.1.1 Environmental Law

"**Environmental Law**" shall mean applicable federal, State of Oregon and local laws, regulations, rules, permit terms, codes and ordinances now or hereafter in effect, as the same may be amended from time to time, and applicable decisional law, which in any way govern materials, substances, regulated wastes, emissions, pollutants, animals or plants, noise, or products and/or relate to the protection of health, natural resources, safety or the environment.

14.1.2 Hazardous Substance

"**Hazardous Substance**" includes any and all substances defined or designated as hazardous, toxic, radioactive, dangerous, or regulated wastes or materials, or any other similar term in or under any Environmental Law. Hazardous Substance shall also include, but not be limited to, fuels, petroleum, and petroleum-derived products.

14.1.3 Environmental Cost

"**Environmental Cost**" includes, but is not limited to, costs and damages arising from or relating to: (i) any actual violation of or noncompliance with any applicable Environmental Law; (ii) claims for damages, response costs, natural resources restoration or damages, regulatory oversight costs or fees, audit costs, fines, fees, or other relief relating to matters addressed in any applicable Environmental Law; (iii) Hazardous Substance Releases as defined in Section 14.1.4; and (iv) violations of any environmental provisions of this Sale Agreement. Costs and damages, as used in this Section, shall include, but not be limited to: (a) costs of evaluation, testing, analysis, remediation, removal, disposal, monitoring, and maintenance; (b) Port or Buyer internal staff time and fees of attorneys, engineers, consultants and experts, whether or not taxable as costs, incurred at, before, or after trial, appeal, on petition

for review or administrative proceedings; (c) lost revenue and natural resource costs and damages; (d) diminution of value, loss, or restriction on use of property; and (e) the cost of decommissioning and removing any underground, mobile or aboveground storage tank and related facilities.

14.1.4 Hazardous Substance Release

"Hazardous Substance Release" shall mean the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking, or placing of any Hazardous Substance into the air or into or on any land or waters, except as authorized by a then-current and valid permit issued under applicable Environmental Law.

14.2 Environmental Reports

Documents provided to Buyer by the Port describing the current environmental condition of the Property are listed in the attached **Exhibit D**.

14.3 Port Cleanup Obligations

14.3.1 Facility Remediation

The Port has entered with the Oregon Department of Environmental Quality ("DEQ") into a "Voluntary Agreement for Remedial Investigation, Source Control Measures, and Feasibility Study, Port of Portland, Terminal 1 North, dated September 16, 2003" ("Voluntary Cleanup Agreement"). The Voluntary Cleanup Agreement obligates the Port to undertake a remedial investigation and a remedial action feasibility study for the Property. In addition, to the extent required by law, the Port will implement the final remedial action selected for the Property in the record of decision issued by DEQ based upon the remedial investigation and feasibility study ("DEQ ROD").

14.3.2 Buyer Participation in DEQ Negotiations

The Port shall invite Buyer to and ensure that Buyer is notified of the time and place of all meetings with DEQ related to DEQ's selection of the final remedial action for the Property and of all meetings with DEQ related to DEQ's selection of institutional and engineering controls.

14.3.3 Minimum Soil Remediation Requirement

The Port agrees to ensure that, within the boundaries of the DEQ ROD, at a minimum, any required soil remediation will comply with the Industrial Maximum Allowable Soil Concentrations established under OAR 340-122-0045(7) to a depth of not less than three feet below land surface ("BLS"). This section is not intended to excuse the Port from compliance with any enforceable remediation requirements of the DEQ ROD, including without limitation any requirements for soil remediation to a depth greater than three feet BLS.

14.3.4 No Obligation Regarding Nearby or Adjacent Properties

The Port shall have no obligation under this Sale Agreement to investigate or remediate any Hazardous Substance Release to, on or from properties owned by Portland General Electric, Sulzer Pump, or other properties near or adjacent to the Property.

14.3.5 Cooperation to Avoid Material Disruption

Buyer and the Port acknowledge that the Port's remedial investigation and remediation action will not be completed before Closing, and agree to work together with DEQ in an effort to work towards and implement a DEQ ROD for the Property that avoids material disruption to the Buyer's West Side CSO Project activities and other activities on the Property consistent with zoning in effect at the time of Closing.

14.3.6 Port to Minimize Disruption

The Port shall take all reasonable steps to minimize disruption to the Buyer's West Side CSO Project activities and other activities on the Property caused by the Port's remedial investigation and remediation activities.

14.3.7 Port Access

The Port and its representatives and contractors shall have the right to enter upon the Property to perform all activities required under the Voluntary Cleanup Agreement, the DEQ ROD, and any other remedial action that is required of the Port by DEQ or the United States Environmental Protection Agency. Except in cases of emergency, entry shall be made with reasonable advance notice to Buyer and any tenants, shall be during normal business hours of Buyer and any tenants.

14.3.8 Remediation-Related Maintenance and Repair

Except for maintenance and repairs necessitated by ordinary wear and tear due to the activities of Buyer or Buyer's tenants, agents, or contractors, which shall not be the Port's responsibility, the Port shall maintain and repair the Property at the Port's own expense to the extent maintenance and repairs may be necessary as a result of remediation activities or to maintain the function of any institutional or engineering controls required by the DEQ ROD.

14.3.9 No Further Action or Completion of Cleanup

Except as otherwise expressly provided by this Sale Agreement, the Port's obligations under this Sale Agreement with respect to any Hazardous Substance Release discovered during the course of the Port's implementation of the Voluntary Cleanup Agreement shall be deemed satisfied when DEQ issues a determination of no further action or completion of cleanup.

14.3.10 Institutional and Engineering Controls

Buyer understands and agrees that the implementation of institutional and engineering controls may be a requirement of the DEQ ROD, and agrees to accept and implement any such controls, provided that, unless otherwise agreed by Buyer, the controls do not materially interfere with use of the Property under current zoning by Buyer or Buyer's tenants or contractors. Buyer shall cooperate with the Port regarding the entry, recording, and implementation of any deed restriction, easement, equitable servitude, restrictive covenant, Environmental Hazard Notice, or other institutional control required by DEQ. Buyer consents to notice in the Deed of the existence of contamination and of the parties' allocation of responsibility for that contamination under this Sale Agreement.

14.4 Contaminated or Treated Media

Buyer assumes ownership of and all risks of liability associated with any excavation, removal, post-removal treatment or transportation of treated or contaminated media, including soil, rock, slurry, industrial by-products, liquid waste or waste water and any wastes ("Contaminated Media") on, to or from the Property by Buyer or Buyer's contractors or agents in connection with the construction of its Westside Combined Sewer Overflow Project facilities on the Property, including without limitation the shaft and tunnel facilities, and the Port shall have no obligation to incur any Environmental Cost associated with such Contaminated Media.

14.5 Port's Post-Remediation Responsibility

Notwithstanding completion of the Port's remedial action and DEQ's issuance of a determination of no further action, the Port shall remain responsible, to the extent required by law, for any remedial investigation and remedial action of any Hazardous Substance Release on the Property from the Port's sanitary or storm sewers, and for any other Hazardous Substance Release on the Property if Buyer demonstrates that: (1) it occurred prior to Closing or is attributable to the Port's actions after Closing; and (2) it was not caused, contributed to, or exacerbated by the activities of Buyer or Buyer's tenants, agents, or contractors during the term of the Lease or after Closing. The Port's total responsibility under this section shall not exceed \$200,000. The Port's liability under this section is personal to Buyer, and shall expire automatically upon the earlier of Buyer's sale of the Property or the expiration of ten years after Closing.

14.6 Buyer's Liability

14.6.1 Hazardous Substance Releases

Buyer shall be responsible, to the extent required by law, for any Hazardous Substance Release, and the Environmental Cost arising therefrom, to, on or from the Property, on other properties, or in the air or groundwater, which results from or occurs in connection with the occupancy, ownership, or use of the Property by Buyer or Buyer's tenants, agents, or contractors occurring at any time after Buyer took possession of the Property under the Lease, and for any Hazardous Substance Releases at any time from Buyer's sanitary or storm sewers.

14.6.2 Conditions Undiscovered at the Time of Closing

If the presence of a Hazardous Substance Release, violation of applicable Environmental Laws or violation of an environmental provision of this Sale Agreement is discovered or disclosed, that was not discovered or disclosed prior to Closing or during the Port's implementation of the Voluntary Cleanup Agreement, then Buyer shall be responsible for it to the extent required by law, unless Buyer can demonstrate that it occurred prior to Closing and was not caused by Buyer, in which case the Port shall be responsible, to the extent required by law, in accordance with this Sale Agreement.

14.7 No Effect on Sediment Liability

Notwithstanding any other provision of this Sale Agreement, nothing in this Sale Agreement shall affect the parties' respective liability for any sediment contamination associated with the Property.

14.8 Survival

This Environmental Obligations section shall survive Closing.

15. GENERAL INDEMNITY

To the extent allowed under Oregon law, Buyer agrees to defend, indemnify, and hold harmless the Port and the Port's commissioners and employees from and against, and reimburse the Port for all claims, actions, damages, injuries, costs, loss, or expenses incidental to the investigation and defense thereof, arising out of the acts or omissions of, ownership, or use or occupancy of the Property by Buyer, its agents, contractors, employees or assignee(s). To the extent allowed under Oregon law, the Port agrees to defend, indemnify, and hold harmless Buyer, its commissioners, officers and employees from and against and to reimburse Buyer for all claims, actions, damages, injuries, costs, loss or expenses incidental to the investigation and defense thereof, arising out of the acts or omissions of, ownership, or the use or occupancy of the Property by the Port, its agents, contractors or employees.

16. DEFAULT/FAILURE TO CLOSE

16.1 Remedies

If either party fails to abide by the terms of this Sale Agreement, then the aggrieved party shall have available to it all remedies available at law or in equity, including for breach of contract, provided that under no circumstances will either party be liable to the other for consequential damages.

16.2 No Breach

In no event shall the Port be in default of this Sale Agreement if a court order prohibits the Port from performing as otherwise required hereunder. In addition, in no event shall Buyer be in default under this Sale Agreement if a court order prohibits Buyer from performing as otherwise required hereunder.

17. GENERAL

17.1 No Third-Party Benefit and No Assignment

Nothing in this Sale Agreement gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise, to any third parties. This Sale Agreement may not be assigned.

17.2 Attorney Fees

If a suit, action, or other proceeding of any nature whatsoever (including without limitation any administrative proceeding and any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Sale Agreement or to interpret or

enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney fees and all other fees, costs, and expenses actually incurred as reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or any petition for review, in addition to all other amounts provided by law.

17.3 Notices

All notices required under this Sale Agreement shall be deemed properly served if hand delivered (including by reputable overnight courier) or sent by certified mail, return receipt requested, to the last address previously furnished by the parties hereto, or by facsimile transmission. Until hereafter changed by the parties by notice in writing, notices shall be sent to the parties at the addresses set forth below:

If by mail to the Port:

The Port of Portland
Property & Development Services
P.O. Box 3529
Portland, OR 97208
Attention: Manager, Property & Development Services

With a copy to:

The Port of Portland
General Counsel
P.O. Box 3529
Portland, OR 97208

If by hand delivery to the Port:

The Port of Portland
Property & Development Services
121 N.W. Everett
Portland, OR 97209
Attention: Manager, Property & Development Services

With a copy to:

The Port of Portland
General Counsel
P.O. Box 3529
Portland, OR 97208

If by fax to the Port:

To: Manager, Property & Development Services
At: (503) 944-7466

With a copy to:

To: General Counsel
At: (503) 944-7038

To Buyer at:

Westside CSO Project Manager
Bureau of Environmental Services
1120 SW Fifth Ave., Room 1000
Portland, OR 97204

Property Manager
Bureau of Environmental Services
1120 SW Fifth Ave., Room 1000
Portland, OR 97204

If mailed, the notice shall be deemed received five (5) days after the date such notice is deposited in a post office of the United States Postal Service, postage prepaid, return receipt requested, certified mail. If delivered by hand, the notice shall be deemed received as of the date of delivery or refusal of delivery. With respect to notices given by facsimile transmission, the burden of proof concerning receipt of the facsimile shall be on the sender who may satisfy the burden by presenting a receipt of the transmission showing the date the transmission successfully occurred, the facsimile number that the transmission was sent to, the name of the party to whom the facsimile was sent, and a copy of the document sent.

17.4 Brokers

Buyer and the Port each represent to one another that they have not dealt with any leasing agent or broker in connection with this Sale Agreement and each (for purposes of this Section only, the "Indemnitor"), to the extent permitted by applicable law, agrees to indemnify and hold harmless the other from and against all damages, costs, and expenses, including attorney, accountant and paralegal fees, arising in connection with any claim of an agent or broker alleging to have been retained by the Indemnitor in connection with this Sale Agreement.

17.5 Performance and Non-Waiver

Time is of the essence in the performance of the obligations set forth herein. Failure to enforce any provision of this Sale Agreement shall not constitute a waiver of that provision or the future prompt enforcement of that provision. This Sale Agreement may not be modified, except by the mutual written agreement of the parties, signed by both the Port and Buyer.

17.6 Governing Law

This Sale Agreement shall be governed, construed and enforced under the laws of the State of Oregon.

17.7 No Merger

The waivers, covenants, indemnities, representations, obligations, and warranties contained in this Sale Agreement shall all survive the Closing and shall not merge into the Deed and the recordation of it in the official records.

17.8 Mediation

If any dispute should arise between the Port and Buyer concerning this Sale Agreement or the parties' obligations or activities hereunder either before or after Closing, the dispute shall be submitted to mediation before a mediator agreed to and compensated equally by both parties, prior to commencement of arbitration or litigation. If the parties fail to agree on a mediator, a mediator shall be appointed by the presiding judge of the Multnomah County Circuit Court.

17.9 Severability

If any provision of this Sale Agreement is held to be invalid or unenforceable, the remainder of this Sale Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Sale Agreement shall be valid and enforceable to the fullest extent permitted by law.

17.10 Headings and Table of Contents

Section headings and the table of contents contained in this Sale Agreement are for convenience in reference and are not intended to define or limit the scope of any provision of this Sale Agreement.

17.11 Exhibits Incorporated by Reference

All Exhibits cited in this Sale Agreement are incorporated by reference into this Sale Agreement for all purposes.

17.12 Interpretation of Sale Agreement

This Sale Agreement is the result of arms-length negotiations between the Port and Buyer. Therefore, any ambiguity subject to interpretation contained herein shall not be construed against either party by reason of its preparation of this Sale Agreement.

17.13 Defined Terms

Capitalized terms shall have the meaning given them in the text of this Sale Agreement.

17.14 Entire Agreement

This Sale Agreement represents the entire agreement between the Port and Buyer relating to Buyer's purchase of the Property. It is understood and agreed by Buyer that neither the Port nor the Port's agents or employees have made any representations or promises with respect to this Sale Agreement or the making or entry into this Sale Agreement, except as expressly set forth in this Sale Agreement. No claim for liability shall be asserted based on any claimed breach of any representations or promises not expressly set forth in this Sale Agreement. All oral agreements, if any, are void and expressly waived by Buyer.

17.15 Land Use

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH MAY LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

17.16 Survival

Any provision of this Sale Agreement shall survive the expiration or termination of this Sale Agreement if survival is necessary to make the provision fully effective. Provisions which shall survive pursuant to this section include without limitation Sections 11, 14, 15, and 17.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

BUYER

CITY OF PORTLAND

By: Dean Mamm

Title: Director, BES

SELLER

THE PORT OF PORTLAND

By: Bill Wyatt

Bill Wyatt, Executive Director

APPROVED AS TO FORM:

By: Jan V.V. Bedy

City Attorney

APPROVED BY CITY COUNCIL ON:

2-18-04

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT

By: James H. Hild

Counsel for Port of Portland

APPROVED BY COMMISSION ON:

June 11, 2003

TERMINAL 1 NORTH LEGAL DESCRIPTION

A TRACT OF LAND, SITUATED IN BLOCK 37, "SHERLOCKS ADDITION TO THE CITY OF PORTLAND" LOCATED IN THE NORTHWEST ONE-QUARTER OF SECTION 28, TOWNSHIP 1 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOTS 13 THRU 38, BLOCK 37, "SHERLOCKS ADDITION TO THE CITY OF PORTLAND" LYING ABOVE THE ORDINARY HIGH WATER LINE AND 40.00 FEET SOUTHERLY OF THE NORTHERLY LINE OF SAID LOT 38, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

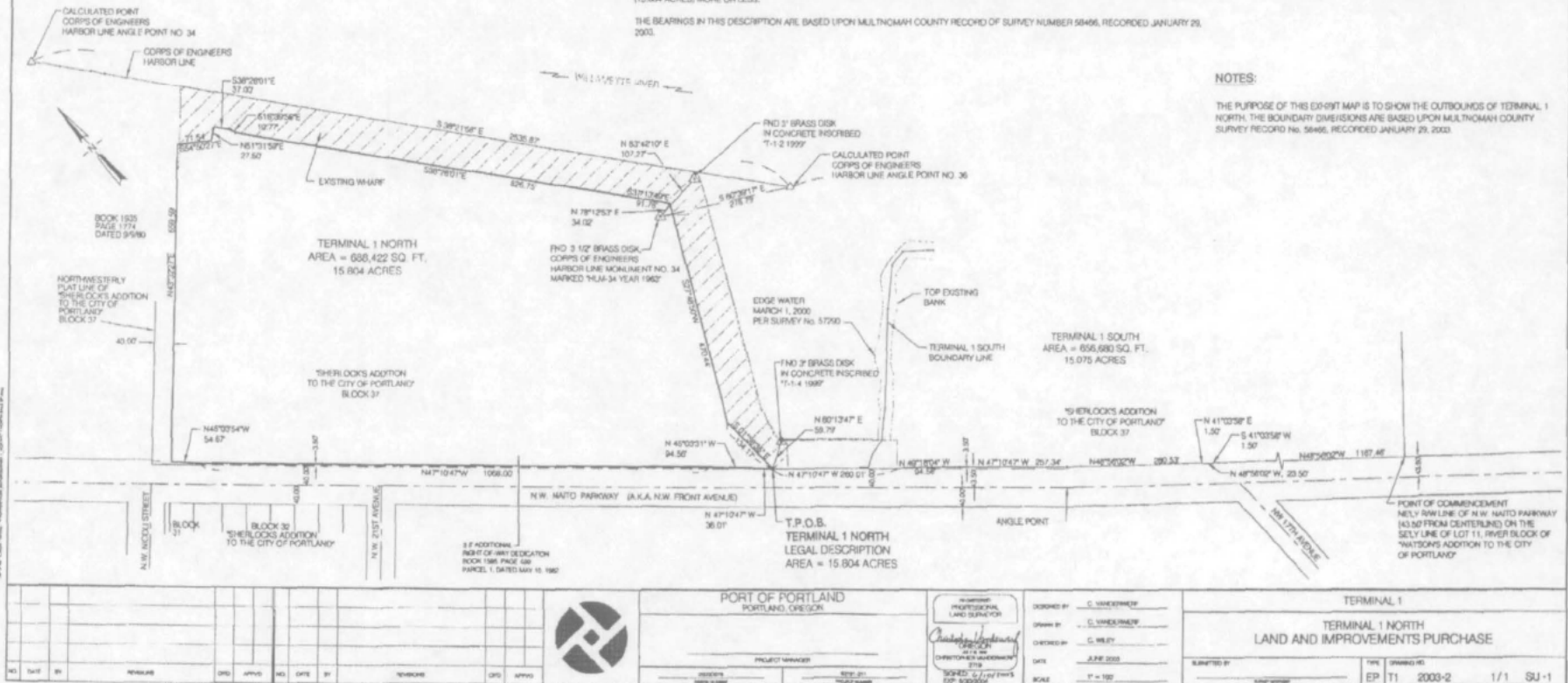
COMMENCING AT A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF NW 1/4 RATIO PARKWAY (A.K.A. NW FRONT AVENUE), 43.50 FEET FROM CENTERLINE ON THE SOUTHEASTERLY LINE OF LOT 11 OF THE RIVER BLOCK OF "WATSON'S ADDITION TO THE CITY OF PORTLAND"; THENCE, ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE THE FOLLOWING EIGHT (8) COURSES: 1) NORTH 48°59'22" WEST, 1187.46 FEET; 2) THENCE SOUTH 41°52'58" WEST, 1.50 FEET; 3) THENCE NORTH 48°59'22" WEST, 23.50 FEET; 4) THENCE NORTH 41°02'52" EAST, 1.50 FEET; 5) THENCE NORTH 48°59'22" WEST, 280.53 FEET; 6) THENCE NORTH 41°12'47" WEST, 257.54 FEET; 7) THENCE NORTH 48°18'54" WEST, 94.56 FEET; 8) THENCE NORTH 47°10'47" WEST, 200.01 FEET TO A POINT OF INTERSECTION WITH THE ORDINARY HIGH WATER LINE OF THE WILLAMETTE RIVER, ESTABLISHED AT ELEVATION 117.0 FEET PER THE NATIONAL GEODETIC VERTICAL DATUM OF 1989 AS ADJUSTED IN 1987 AND THE NORTHEASTERLY RIGHT-OF-WAY LINE, SAID POINT BEING THE TRUE POINT OF BEGINNING, THENCE, DEPARTING SAID ORDINARY HIGH WATER LINE AND CONTINUING ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE, THE FOLLOWING FOUR (4) COURSES: 1) NORTH 47°10'47" WEST, 36.01 FEET; 2) THENCE NORTH 45°03'51" WEST, 94.56 FEET; 3) THENCE NORTH 47°10'47" WEST, 308.00 FEET; 4) THENCE NORTH 45°03'51" WEST, 54.51 FEET TO A POINT THAT IS 40.00 FEET FROM WHEN MEASURED AT RIGHT ANGLES TO THE NORTHWESTERLY PLAT LINE OF BLOCK 37, "SHERLOCKS ADDITION TO THE CITY OF PORTLAND"; THENCE, DEPARTING SAID RIGHT-OF-WAY LINE AND RUNNING PARALLEL WITH AND 40.00 FEET FROM WHEN MEASURED AT RIGHT ANGLES TO SAID NORTHWESTERLY PLAT LINE, NORTH 43°12'27" EAST, 688.09 FEET TO SAID ORDINARY HIGH WATER LINE, THENCE, ALONG SAID ORDINARY HIGH WATER LINE THE FOLLOWING EIGHT (8) COURSES: 1) SOUTH 54°50'27" EAST, 10.77 FEET; 2) THENCE NORTH 51°31'58" EAST, 27.50 FEET; 3) THENCE SOUTH 38°28'01" EAST, 37.00 FEET; 4) THENCE SOUTH 18°39'58" EAST, 10.77 FEET; 5) THENCE SOUTH 38°28'01" EAST, 806.75 FEET; 6) THENCE SOUTH 37°13'49" EAST, 81.78 FEET; 7) THENCE SOUTH 27°48'57" WEST, 478.44 FEET; 8) THENCE SOUTH 01°58'33" EAST, 134.17 FEET TO THE POINT OF BEGINNING, CONTAINING 688.422 SQUARE FEET (16.804 ACRES) MORE OR LESS.

THE BEARINGS IN THIS DESCRIPTION ARE BASED UPON MULTNOMAH COUNTY RECORD OF SURVEY NUMBER 58496, RECORDED JANUARY 29, 2003.



NOTES:

THE PURPOSE OF THIS EXHIBIT MAP IS TO SHOW THE OUTBOUNDS OF TERMINAL 1 NORTH. THE BOUNDARY DIMENSIONS ARE BASED UPON MULTNOMAH COUNTY SURVEY RECORD No. 58496, RECORDED JANUARY 29, 2003.





Chicago Title Insurance Company

STATUS OF RECORD TITLE
FIFTH SUPPLEMENTAL
February 10, 2004



10001 SE SUNNYSIDE ROAD
CLACKAMAS, OR 97015
Telephone: (503) 653-7300

Order No. 195067

TO: Port of Portland
700 NE Multnomah, POB 3529
Portland, OR 97208

Attention: Paula Kelson

Customer Ref: PORT OF PORTLAND

Charge: \$250.00

We have searched our Tract Indices as to the following described real property:

PLEASE SEE ATTACHED
(Continued)

Vestee: THE PORT OF PORTLAND, a Port District of the State of Oregon

Dated as of: February 4, 2004 at 8:00 A.M.

CHICAGO TITLE INSURANCE COMPANY OF OREGON

By: Emmett M. Brennan
Emmett Brennan
Title Officer

THIS REPORT IS TO BE UTILIZED FOR INFORMATION ONLY. ANY USE OF THIS REPORT AS A BASIS FOR TRANSFERRING, ENCUMBERING OR FORECLOSING THE REAL PROPERTY DESCRIBED WILL REQUIRE PAYMENT IN THE AMOUNT EQUIVALENT TO APPLICABLE TITLE INSURANCE PREMIUM AS REQUIRED BY THE RATING SCHEDULE ON FILE WITH THE OREGON INSURANCE DIVISION.

The liability of Chicago Title Insurance Company is limited to the addressee and shall not exceed the fee paid therefor.

Said property is subject to the following on record matters:

EXCEPTIONS

1. **REVISED**

Taxes, including the current fiscal year, not assessed because of Port of Portland Ownership Exemption. If the exempt status is terminated under the statute prior to the date on which the assessment roll becomes the tax roll in the year in which said taxes were assessed, an additional tax may be levied.

Levy Code: 001
Property ID No.: R269775
Alternate Account No.: R766004790
Map No.: 1N1E28B
Tax Lot No.: 00900

Levy Code: 001
Property ID No.: R269778
Alternate Account No.: R766004793
Map No.: 1N1E28B
Tax Lot No.: 00900-A3

Levy Code: 001
Property ID No.: R485576
Alternate Account No.: R766004794
Map No.: 1N1E28B
Tax Lot No.: 00900-A4

2. **DELETED**

3. City liens, if any, of the City of Portland. No search has been made or will be made as to the existence of such liens.
4. Rights of the public and of governmental bodies in and to that portion of the premises herein described lying below the high water mark of the Willamette River.
5. Any adverse claims based upon the assertion that the Willamette River has changed in location.
6. Any adverse claim based on the assertion that any portion of said land has been created by artificial means or has accreted to such portions so created.
7. Rights established pursuant to ORS 274 905, et seq to all or any portion of the herein described premises created by artificial means.
8. Ownership of the State of Oregon lying below the high water mark extending to the perimeter of the Tax Assessed parcel of land presently assessed to the upland fee holder.
9. Any unrecorded submersible land leases as may be required or in existence in form consistent with the Tax Assessor Records.

(Continued)

SPECIAL EXCEPTIONS (Continued)

16. Covenants, conditions, restrictions and easements, but omitting restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant, (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as contained in File No. LUR 94-00307 GW

Recorded: July 11, 1994
Recorder's Fee No.: 94 105541

17. **OMITTED**

18. **DELETED**

19. **ADDED**

An easement created by instrument, including terms and provisions thereof;

Dated: July 26, 2002
Recorded: August 2, 2002
Recorder's Fee No.: 2002-137528
In Favor Of: The City of Portland
For: Tunnel and ingress and egress thereto
Affects: Subject property

20. **ADDED**

An easement created by instrument, including terms and provisions thereof;

Dated: July 26, 2002
Recorded: August 2, 2002
Recorder's Fee No.: 2002-137529
In Favor Of: The City of Portland
For: Sewer purposes
Affects: Subject property

21. **ADDED**

An easement created by instrument, including terms and provisions thereof;

Dated: July 26, 2002
Recorded: August 2, 2002
Recorder's Fee No.: 2002-137530
In Favor Of: The City of Portland
For: Sewer Shaft
Affects: Subject property

22. **ADDED**

State of Oregon Well Ownership Information Forms, including the terms and provisions thereof;

Recorded: November 25, 2002
Recorder's Fee Nos.: 2002-216022, 2002-216023, 2002-216025, 2002-216026,
2002-216027, 2002-216028, 2002-216029 and 2002-216030

NOTE: This report addresses platted land only. The Multnomah County Tax Assessors Map indicates the property lines extend beyond the platted lot lines and into the Willamette River. Ownership of this additional land lying between the platted lot line and the harbor line shown on the Assessors Map cannot be determined in the public record.

(Continued)

Order No: 195067

SPECIAL EXCEPTIONS (Continued)

NOTE: Property address is identified as:
2100 NW Front Avenue
Portland, Oregon

END OF REPORT

EB/grs
February 10, 2004

3. CONSIDERATION

The true, actual, and whole consideration for the transfer is six million three hundred and twenty-five thousand dollars (\$6,325,000.00).

4. EXCEPTIONS

The Property is conveyed subject to the exceptions, exclusions, encumbrances, and stipulations that are ordinarily part of a standard owner's policy of title insurance (unless caused or suffered by Grantor), and subject to the exceptions shown in attached **Exhibit B**.

5. SEVERABILITY

If any provision of this Deed is held to be invalid or unenforceable, the remainder of this Deed, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Deed shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Deed is found to be generally unenforceable but is partially enforceable, then the provision shall be automatically amended so that it may be enforced to the fullest extent allowed by law.

6. LAND USE DISCLAIMER

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

IN WITNESS HEREOF, Grantor has caused this Deed to be executed this ___ day of _____, 2004.

THE PORT OF PORTLAND, a port district of
the state of Oregon

By: _____
Bill Wyatt, Executive Director

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT OF PORTLAND

By: _____
Counsel for the Port of Portland

APPROVED BY THE PORT COMMISSION:

Date: June 11, 2003

EXHIBIT A

LEGAL DESCRIPTION

A TRACT OF LAND, SITUATED IN BLOCK 37, "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND" LOCATED IN THE NORTHWEST ONE-QUARTER OF SECTION 28, TOWNSHIP 1 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOTS 13 THRU 38, BLOCK 37, "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND" LYING ABOVE THE ORDINARY HIGH WATER LINE AND 40.00 FEET SOUTHERLY OF THE NORTHERLY LINE OF SAID LOT 38, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF NW NAITO PARKWAY (AKA NW FRONT AVENUE, 43.50 FEET FROM CENTERLINE) ON THE SOUTHEASTERLY LINE OF LOT 11 OF THE RIVER BLOCK OF "WATSON'S ADDITION TO THE CITY OF PORTLAND"; THENCE, ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE THE FOLLOWING EIGHT (8) COURSES: 1) NORTH 48°56'02" WEST, 1167.46 FEET; 2) THENCE SOUTH 41°03'58" WEST, 1.50 FEET; 3) THENCE NORTH 48°56'02" WEST, 23.50 FEET; 4) THENCE NORTH 41°03'58" EAST, 1.50 FEET; 5) THENCE NORTH 48°56'02" WEST, 280.53 FEET; 6) THENCE NORTH 47°10'47" WEST, 257.34 FEET; 7) THENCE NORTH 49°18'04" WEST, 94.56 FEET; 8) THENCE NORTH 47°10'47" WEST, 260.01 FEET TO A POINT OF INTERSECTION WITH THE ORDINARY HIGH WATER LINE OF THE WILLAMETTE RIVER, ESTABLISHED AT ELEVATION 17.0 FEET PER THE NATIONAL GEODETIC VERTICAL DATUM OF 1929 AS ADJUSTED IN 1947 AND THE NORTHEASTERLY RIGHT OF WAY LINE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE, DEPARTING SAID ORDINARY HIGH WATER LINE AND CONTINUING ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, THE FOLLOWING FOUR (4) COURSES: 1) NORTH 47°10'47" WEST, 36.01 FEET; 2) THENCE NORTH 45°03'31" WEST, 94.56 FEET; 3) THENCE NORTH 47°10'47" WEST, 1068.00 FEET; 4) THENCE NORTH 45°03'54" WEST, 54.67 FEET TO A POINT THAT IS 40.00 FEET FROM WHEN MEASURED AT RIGHT ANGLES TO THE NORTHWESTERLY PLAT LINE OF BLOCK 37, "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND"; THENCE, DEPARTING SAID RIGHT OF WAY LINE AND RUNNING PARALLEL WITH AND 40.00 FEET FROM WHEN MEASURED AT RIGHT ANGLES TO SAID NORTHWESTERLY PLAT LINE, NORTH 43°32'27" EAST, 659.59 FEET TO SAID ORDINARY HIGH WATER LINE; THENCE, ALONG SAID ORDINARY HIGH WATER LINE THE FOLLOWING EIGHT (8) COURSES: 1) SOUTH 54°50'27" EAST, 71.54 FEET; 2) THENCE NORTH 51°31'59" EAST, 27.50 FEET; 3) THENCE SOUTH 38°28'01" EAST, 37.00 FEET; 4) THENCE SOUTH 16°39'56" EAST, 10.77 FEET; 5) THENCE SOUTH 38°28'01" EAST, 826.75 FEET; 6) THENCE SOUTH 37°13'49" EAST, 91.76 FEET; 7) THENCE SOUTH 27°48'50" WEST, 470.44 FEET; 8) THENCE SOUTH 01°58'35" EAST, 134.17 FEET TO THE POINT OF BEGINNING, CONTAINING 688,422 SQUARE FEET (15.804 ACRES) MORE OR LESS.

THE BEARINGS IN THIS DESCRIPTION ARE BASED UPON MULTNOMAH COUNTY RECORD OF SURVEY NUMBER 58466, RECORDED JANUARY 29, 2003.

EXHIBIT B

SPECIAL EXCEPTIONS

THE PERMITTED ENCUMBRANCES FROM THE TITLE REPORT WILL BE LISTED
AND ATTACHED AS EXHIBIT B WHEN THE FINAL DEED IS PREPARED.

EXHIBIT D

ENVIRONMENTAL REPORTS

The Port has given Buyer copies of the following environmental reports related to the Property:

1. Terminal 1 Preliminary Assessment, Port of Portland, 9/18/00;
2. West Side CSO Tunnel Project Memorandum, Emily Keene to Mitch Fong, May 9, 2001;
3. Terminal 1 North Work Plan for Site Investigation, Hahn and Associates, 4/29/02;
4. Terminal 1 North Work Plan (Addendum No. 1) for Monitoring Well Installation and Sampling, Hahn and Associates, 7/17/02;
5. Terminal 1 North Phase I Environmental Site Assessment, Hahn and Associates, 9/12/02;
6. Terminal 1 North Pre-Remedial Investigation Assessment Report, Hahn and Associates, 10/14/02;
7. Terminal 1 North Monitoring Well Installation and Groundwater Sampling Report, Hahn and Associates, 10/25/02;
8. Terminal 1 North Groundwater Monitoring Report, Hahn and Associates, 3/14/03; and.
9. Terminal 1 North Remedial Investigation Work Plan, 2/9/04.

2-26-04

CHICAGO TITLE INSURANCE COMPANY OF OREGON

SELLERS ESTIMATED SETTLEMENT STATEMENT

Seller: Port of Portland

Escrow No.: 5000-15702-CE
Order No.: 195067
Date: 02/26/04

Buyer: City of Portland

Property Address: Terminal One North
Portland, Oregon

Escrow Officer: Cheryle Stahel-Eastman

Date: 02/26/04

	Charges	Credits
Sales Price.....		6,325,000.00
Title Insurance to CHICAGO TITLE INSURANCE CO.....	10,087.50	
Escrow/Closing Fee to CHICAGO TITLE INSURANCE CO.....	500.00	
Service Fee to CHICAGO TITLE INSURANCE.....	50.00	
Seller Policy to CHICAGO TITLE INSURANCE.....	50.00	
Survey End. to CHICAGO TITLE INSURANCE.....	50.00	
Easement/Rent Payments.....	920,724.64	
Sub-totals	931,462.14	6,325,000.00
Balance due to Seller	5,393,537.86	
Estimated Totals	6,325,000.00	6,325,000.00

The above figures are estimated and subject to adjustments prior to the disbursement of funds.

Port of Portland

By: Bill Wyatt, Executive Director

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT OF PORTLAND

[Signature]
26 Feb 04

POPT1N100814

LIEN AFFIDAVIT

STATE OF OREGON)
) ss
County of Multnomah)

Chicago Title Insurance Co.

POLICY NO: 195067

I/We, the undersigned, under oath, state:

1. I/We have no knowledge of any liens, judgments, taxes, or other monetary encumbrances which are liens on the subject property with the exception of those listed in the above mentioned title report dated 02/13/04;
2. I/We have not been notified of any intent to assess the subject property by any city, county or state agency.

Subject property is described as:

(Continued)

Port of Portland

By: Bill Wyatt, Executive Director

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT OF PORTLAND

Subscribed and sworn to before me

February 26, 2004
Date

Notary Public for Oregon

My commission expires:

Escrow No: 5000-15702-CE



LEGAL DESCRIPTION

A tract of land, situated in Block 37, SHERLOCK'S ADDITION TO THE CITY OF PORTLAND located in the Northwest one-quarter of Section 28, Township 1 North, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, described as follows:

That portion of Lots 13 through 38, Block 37, SHERLOCK'S ADDITION TO THE CITY OF PORTLAND lying above the ordinary high water line and 40.00 feet Southerly of the Northerly line of said Lot 38, being more particularly described as follows:

Commencing at a point on the Northeasterly right-of-way line of NW Naito Parkway (aka NW Front Avenue, 43.50 feet from centerline) on the Southeasterly line of Lot 11 of the River Block of WATSON'S ADDITION TO THE CITY OF PORTLAND; thence, along said Northeasterly right-of-way line the following eight (8) courses: 1) North 48°56'02" West, 1167.46 feet; 2) thence South 41°03'58" West, 1.50 feet; 3) thence North 48°56'02" West, 23.50 feet; 4) thence North 41°03'58" East, 1.50 feet; 5) thence North 48°56'02" West, 280.53 feet; 6) thence North 47°10'47" West, 257.34 feet; 7) thence North 49°18'04" West, 94.56 feet; 8) thence North 47°10'47" West, 260.01 feet to a point of intersection with the ordinary high water line of the Willamette River, established at elevation 17.0 feet per the national geodetic vertical datum of 1929 as adjusted in 1947 and the Northeasterly right-of-way line, said point being the true point of beginning; thence, departing said ordinary high water line and continuing along said Northeasterly right-of-way line, the following four (4) courses: 1) North 47°10'47" West, 36.01 feet; 2) thence North 45°03'31" West, 94.56 feet; 3) thence North 47°10'47" West, 1068.00 feet; 4) thence North 45°03'54" West, 54.67 feet to a point that is 40.00 feet from when measured at right angles to the Northwesterly plat line of Block 37, SHERLOCK'S ADDITION TO THE CITY OF PORTLAND; thence, departing said right-of-way line and running parallel with and 40.00 feet from when measured at right angles to said Northwesterly plat line, North 43°32'27" East, 659.59 feet to said ordinary high water line; thence, along said ordinary high water line the following eight (8) courses: 1) South 54°50'27" East, 71.54 feet; 2) thence North 51°31'59" East, 27.50 feet; 3) thence South 38°28'01" East, 37.00 feet; 4) thence South 16°39'56" East, 10.77 feet; 5) thence South 38°28'01" East, 826.75 feet; 6) thence South 37°13'49" East, 91.76 feet; 7) thence South 27°48'50" West, 470.44 feet; 8) thence South 01°58'35" East, 134.17 feet to the point of beginning.

AFFIDAVIT OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U. S. real property interest withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U. S. real property described on Exhibit A by The Port of Portland (transferor), I hereby certify the following (if an entity transferor, on behalf of the transferor).

1. The Port of Portland is not a foreign corporation, foreign partnership, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. (b) (4) is the transferor's U. S. employer identification number;
3. 121 N.W. Everett, Portland, OR 97209 is the transferor's office address.

The Port of Portland understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement I have made here (or for entity transferor, contained herein) could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete (and for entity transferor, I further declare that I have authority to sign this document on behalf of The Port of Portland).

Signed this 26 day of February, 2004

The Port of Portland

By: 

Bill Wyatt, Executive Director

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT OF PORTLAND

By: 

26 Feb 04
Counsel for the Port of Portland

EXHIBIT A
LEGAL DESCRIPTION

A TRACT OF LAND, SITUATED IN BLOCK 37, "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND" LOCATED IN THE NORTHWEST ONE-QUARTER OF SECTION 28, TOWNSHIP 1 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOTS 13 THRU 38, BLOCK 37, "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND" LYING ABOVE THE ORDINARY HIGH WATER LINE AND 40.00 FEET SOUTHERLY OF THE NORTHERLY LINE OF SAID LOT 38, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF NW NAITO PARKWAY (AKA NW FRONT AVENUE, 43.50 FEET FROM CENTERLINE) ON THE SOUTHEASTERLY LINE OF LOT 11 OF THE RIVER BLOCK OF "WATSON'S ADDITION TO THE CITY OF PORTLAND"; THENCE, ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE THE FOLLOWING EIGHT (8) COURSES: 1) NORTH 48°56'02" WEST, 1167.46 FEET; 2) THENCE SOUTH 41°03'58" WEST, 1.50 FEET; 3) THENCE NORTH 48°56'02" WEST, 23.50 FEET; 4) THENCE NORTH 41°03'58" EAST, 1.50 FEET; 5) THENCE NORTH 48°56'02" WEST, 280.53 FEET; 6) THENCE NORTH 47°10'47" WEST, 257.34 FEET; 7) THENCE NORTH 49°18'04" WEST, 94.56 FEET; 8) THENCE NORTH 47°10'47" WEST, 260.01 FEET TO A POINT OF INTERSECTION WITH THE ORDINARY HIGH WATER LINE OF THE WILLAMETTE RIVER, ESTABLISHED AT ELEVATION 17.0 FEET PER THE NATIONAL GEODETIC VERTICAL DATUM OF 1929 AS ADJUSTED IN 1947 AND THE NORTHEASTERLY RIGHT OF WAY LINE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE, DEPARTING SAID ORDINARY HIGH WATER LINE AND CONTINUING ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, THE FOLLOWING FOUR (4) COURSES: 1) NORTH 47°10'47" WEST, 36.01 FEET; 2) THENCE NORTH 45°03'31" WEST, 94.56 FEET; 3) THENCE NORTH 47°10'47" WEST, 1068.00 FEET; 4) THENCE NORTH 45°03'54" WEST, 54.67 FEET TO A POINT THAT IS 40.00 FEET FROM WHEN MEASURED AT RIGHT ANGLES TO THE NORTHWESTERLY PLAT LINE OF BLOCK 37, "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND"; THENCE, DEPARTING SAID RIGHT OF WAY LINE AND RUNNING PARALLEL WITH AND 40.00 FEET FROM WHEN MEASURED AT RIGHT ANGLES TO SAID NORTHWESTERLY PLAT LINE, NORTH 43°32'27" EAST, 659.59 FEET TO SAID ORDINARY HIGH WATER LINE; THENCE, ALONG SAID ORDINARY HIGH WATER LINE THE FOLLOWING EIGHT (8) COURSES: 1) SOUTH 54°50'27" EAST, 71.54 FEET; 2) THENCE NORTH 51°31'59" EAST, 27.50 FEET; 3) THENCE SOUTH 38°28'01" EAST, 37.00 FEET; 4) THENCE SOUTH 16°39'56" EAST, 10.77 FEET; 5) THENCE SOUTH 38°28'01" EAST, 826.75 FEET; 6) THENCE SOUTH 37°13'49" EAST, 91.76 FEET; 7) THENCE SOUTH 27°48'50" WEST, 470.44 FEET; 8) THENCE SOUTH 01°58'35" EAST, 134.17 FEET TO THE POINT OF BEGINNING, CONTAINING 688,422 SQUARE FEET (15.804 ACRES) MORE OR LESS.

THE BEARINGS IN THIS DESCRIPTION ARE BASED UPON MULTNOMAH COUNTY RECORD OF SURVEY NUMBER 58466, RECORDED JANUARY 29, 2003.